



Press Release



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CONYERS CALLS FOR END TO OPEC ANTITRUST EXEMPTION

Congressman John Conyers, Jr. issued the following statement regarding exorbitant oil prices:

“For a year now, American consumers have paid exorbitant prices at the pump, as gas prices have hit their highest levels since the first Gulf War. Since last January, oil prices have climbed so that gasoline prices are over \$2 a gallon. This puts a huge squeeze on motorists, as well as airline passengers, trucking companies and others.

And what has the Administration done to bring relief to the American people? Nothing.

One easy solution is to target the Organization of Petroleum Exporting Countries. But President Bush broke his 2000 campaign vow to “jawbone” the OPEC countries to increase production and has done nothing since. The group of 11 nations comprising OPEC hold significant leverage, and they hold all the cards when it comes to oil and gas prices. OPEC accounts for more than a third of global oil production, and OPEC’s oil exports represent about 55 percent of the oil traded internationally. This makes OPEC’s influence on the oil market dominant, especially when it decides to reduce or increase its levels of production.

The OPEC nations have for years worked to limit the production of crude oil. This may well violate U.S. antitrust laws, yet we have no recourse for action against these nations. The international oil cartel continues to avoid accountability, shielding itself behind the veil of sovereign immunity by claiming that its actions are “governmental activity”—which is protected under the Foreign Sovereign Immunities Act (“FSIA”), 28 U.S.C. § 1602 *et seq.*—rather than “commercial activity.”

It is time Congress step in to enable U.S. authorities to take legal action combating these alleged violations. This is why I am introducing, along with Representatives Lofgren and McIntyre, the “No Oil Producing and Exporting Cartels Act” (“NOPEC”). This legislation is simple and effective and accomplishes this goal.

- It exempts OPEC and other nations from the provisions of FSIA to the extent those governments are engaged in price-fixing and other anticompetitive activities with regard to pricing, production and distribution of petroleum products.
- It makes clear that the so-called “Act of State” doctrine does not prevent courts from ruling on antitrust charges brought against foreign governments and that foreign governments are “persons” subject to suit under the antitrust laws.
- It authorizes lawsuits in U.S. federal court against oil cartel members by the Justice Department and the Federal Trade Commission.

It is high time someone did something about our outrageous gas prices. I hope Congress has the sense to act on this legislation immediately.

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